

SPRUNGER'S MINERALS
P.O. BOX 38054
LEAMINGTON, UT 84638
(801) 857-2572
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0003 S/023/018
S/023/017

June 14, 1999

Tom Munson
Utah Division of Oil, Gas & Mining
Box 145801
Salt Lake City, UT 84114-5801

RE: Transfer forms for Beryl 1, S/023/018, from Sprunger's Minerals to Gemstone Mining (GMI) and for Cubical 7, S/023/017, from Sprunger's Minerals to Utah Mineral & Fossil (UMF).

Dear Mr. Munson:

We received your letter of 6/9/99 and were surprised that you did not yet receive the transfer form for Beryl 1 from GMI. This form was mailed to Clint Christiansen of GMI in Cedar City many months ago and he was to return it to you. We are mailing a substitute transfer form to the law office which represents GMI with a cover letter (copy enclosed). Also, since you are a business associate of John Holfert, you are probably aware that we recently transferred ownership of Cubical 7 to UMF. So we are mailing a transfer form to UMF as well (cover letter to Walter Mroch enclosed).

In your letter you state that if you do not receive completed transfer forms before the end of June, we will be responsible for the 1999 permit fees. This is unreasonable as we cannot force the transferees to return the forms to you, especially on such short notice. We can only prove to you that we did our part and this is why we enclose copies of the two aforementioned letters.

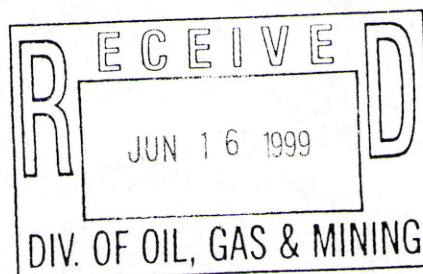
Sincerely,

Mike Sprunger

Sandra Sprunger

Mike Sprunger
Sandra Sprunger

Enclosures



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